



CHA Families and the Plan for Transformation

After Wells *Where Are the Residents Now?*

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“Chicago faced a set of circumstances that made relocation especially difficult.”

Although many HOPE VI sites have found the task of resident relocation very challenging, Chicago faced a set of circumstances that made relocation especially difficult. Like most housing authorities, when the Chicago Housing Authority (CHA) began implementing its revitalization plans, the agency had little experience in providing case management or relocation services. Adding to the lack of experience, with 25,000 units to be “transformed” and tens of thousands of households to relocate, the magnitude of the problem was daunting. Finally, CHA’s residents were especially disadvantaged: because of the terrible conditions in CHA’s family developments, many tenants who had better options had left long ago, leaving behind a population dominated by extremely vulnerable families (Popkin et al. 2000). Not surprisingly, the CHA has struggled with relocation, and the process was initially very contentious, with two lawsuits filed against the agency and a court-appointed independent monitor overseeing relocation (Popkin 2006).

The Relocation Rights Contract, negotiated in 2000, formally spelled out the CHA’s obligations to leaseholders during

the transformation process. The contract defined the terms for lease compliance and the steps residents could take to “cure” lease violations and remain eligible to move into replacement housing in the new mixed-income developments. The contract also specified the services to be offered to residents while they waited for permanent housing. By the time the CHA began large-scale relocation in Madden/Wells, the agency’s relocation and supportive service system evolved to become unusually comprehensive and included relocation counseling and case management (Popkin 2010).

The CHA’s HOPE VI plans for Madden/Wells called for demolishing the entire development—nearly 3,000 units in three adjacent developments—and replacing it with a new mixed-income community called Oakwood Shores. In Madden/Wells, unlike most of its other HOPE VI sites, the CHA used a staged relocation plan, meaning that the site was not cleared before new construction began. Instead, the agency left original buildings standing and occupied, as other buildings were demolished and new housing was constructed on the site (Popkin 2010). The CHA did not complete relocation and close the development until

August 2008. In this brief, we address the question of what has happened to the original residents, including the type of housing assistance they received and where they lived in 2009, eight years after the Madden/Wells redevelopment started.

Most Former Madden/Wells Respondents Have Vouchers

At the 2005 follow-up, 40 percent of Chicago Panel Study respondents were still living in Madden/Wells, awaiting relocation. Forty-five percent of the Chicago respondents had moved with a Housing Choice Voucher, 5 percent were living in the new mixed-income housing, about 7 percent were no longer receiving housing assistance, and less than 1 percent were homeless.

In 2009, Madden/Wells had been closed for a year and the picture was quite different.

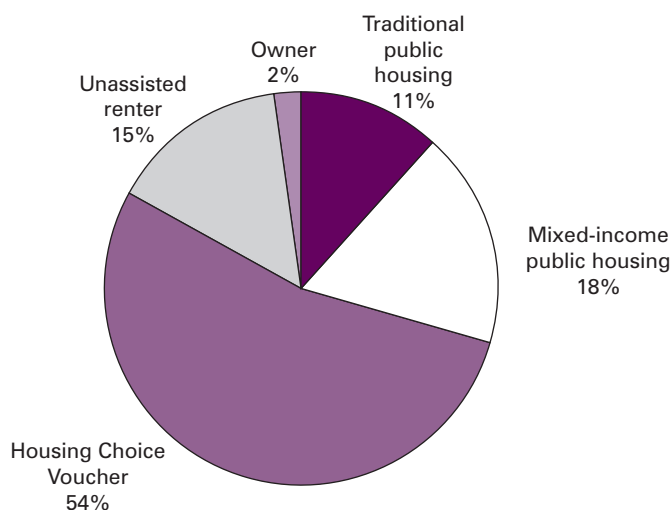
- As figure 1 shows, in 2009, a majority of the original Madden/Wells respondents were using vouchers to rent a unit in the private market (54 percent), nearly a third were living in public housing (29 percent), and the rest were no longer receiving housing assistance (17 percent).
- Of the respondents living in public housing, more than half (18 percent of all respondents) live in mixed-income public

housing. Most of these respondents live in Oakwood Shores, but a few have moved to other CHA mixed-income developments.

- Most respondents appear satisfied with their current housing choice. As figure 2 shows, about a third of the respondents who have not moved to mixed-income public housing reported that they would like to live in Oakwood Shores. While still a significant share of respondents, it is much smaller than the proportion of Madden/Wells respondents who wanted to live in Oakwood Shores in earlier rounds of the Panel survey. In 2001, the vast majority of respondents (79 percent) said they wanted to live in Oakwood Shores; this proportion declined to 58 percent in 2005 and is now 32 percent.¹ In-depth interviews conducted in 2009 show that many former Madden/Wells respondents had become used to their new living situation and their level of satisfaction was such that they no longer wanted to move back. Some interview respondents explicitly said they did *not* want to move to Oakwood Shores, citing their fears that the new development would have the same residents and thus the same crime and social disorder as Madden/Wells or their own reluctance to be subject to strict screening and occupancy policies.

“Most former residents are satisfied with their housing choice.”

FIGURE 1. Housing Assistance Status in 2009



Source: 2009 Chicago Panel Study Sample

Proud to Have Left Public Housing

At baseline in 2001, Gwendolyn, a single parent with two sons, had lived in Madden/Wells for many years. She knew that it was not a good place to raise children, but she was comfortable there and did not know where else she could afford to live. She complained that her apartment was falling apart and the CHA did not make requested repairs. As she told the interviewer in 2001,

I like [my] apartment, the fact that it's up on the 11th. [floor]. What I don't like about the apartment is that they won't come up and fix things the way they should . . . like the plumbing, the electricity, and the wiring in the walls. It's all like falling apart. . . . Sometimes the tub backs up and the toilet stops up. . . .

Gwendolyn was among the first residents to relocate from Madden/Wells after the redevelopment began. She chose a Housing Choice Voucher, and by her own account, was both “scared and excited.” She has moved three times since she left Madden/Wells. For a time, she lived in a low-poverty, low-crime neighborhood on the Southwest Side, but most recently, opted to move further east to a higher-crime area to be closer to her sons’ school. She was able to rent a small house and says she has no desire to move back to a public housing development, even to Oakwood Shores. She feels at home in her house—and has a landlord that fixes things when they are broken. As she said in 2009,

I feel comfortable here. I'm happy. . . . I wanted to make sure the house wasn't in foreclosure, because you find out a lot of landlords don't tell you that the housing is in foreclosure. So, once I found out that it's not in foreclosure, I'm going to do little things to fit it up and make it more homey.

Further, Gwendolyn is very proud that she has made the transition to the private market and become more independent:

I think I'm a better person because I grew a little more mentally. I'm not around all of that negativity, you know, so I think I grew up a little bit and accept the responsibility. . . . A lesson I learned was that even though I have a voucher, and they do help me with my rent, but it was a time when I was paying like maybe \$75 a month rent. And now I'm paying like \$600 plus my light and my gas. So, I think moving has made me a little more responsible and I don't take things for granted like I used to. I can't take my money and say, look, I'm going to buy me four or five pairs of shoes because the light bill and the gas bill due. To whereas when I was over there [in Madden/ Wells] and my rent was only \$75, I think I was taking a lot of things for granted. So, I mean, as I grew, as I moved, it made me grow mentally.

A Mixed Picture for Those Who No Longer Receive Assistance

As in 2005, the 2009 survey indicates a mixed picture for residents who no longer live in CHA-subsidized housing.

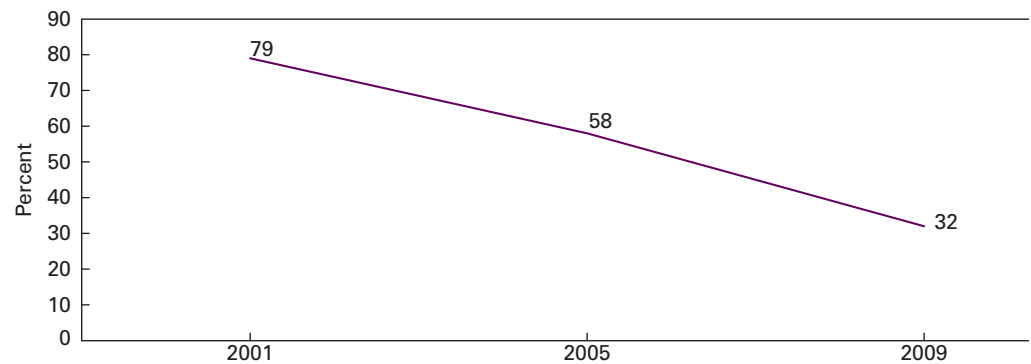
- Of the unassisted households who gave a reason for no longer receiving assistance, about a quarter cited positive reasons, such as their household income grew too high to be eligible or they got married and moved in with their partner. The rest cited negative reasons, such as breaking program rules or owing back rent or utilities, for why they no longer

had assistance. A small number of unassisted households (1 percent of the entire sample) reported being homeless at the time of the 2009 survey.

Younger Residents Are Living in the Private Market

The 2009 follow-up shows that the characteristics of residents in different types of housing assistance vary considerably, with younger respondents more likely to choose vouchers and older respondents more likely to remain in public housing, either traditional or mixed-income developments.

FIGURE 2. Respondents Who Want to Live in the Oakwood Shores Mixed-Income Development (Excluding Residents Living in Mixed-Income Housing in 2009)



Source: 2009 Chicago Panel Study Sample

“Former residents live in a diverse set of neighborhoods.”

- Madden/Wells respondents in the private market (voucher holders or unassisted renters) were significantly more likely to be young (under age 34), to have had household incomes above \$10,000 in 2001, and less likely to be long-term public housing residents than the respondents who moved to traditional or mixed-income public housing developments. The majority of private-market renters (70 percent) have children (see table 1).
- Conversely, those living in mixed-income and traditional public housing in 2009 were more likely to be elderly than other respondents, and almost all of them (approximately 95 percent) were long-term public housing residents (10 years or more in public housing). Both public housing groups were also extremely low income, with only 14 percent of mixed-income residents and 18 percent of public housing residents having household incomes above \$10,000 in 2001.
- Finally, those in mixed-income developments were much more likely to have children than those in traditional public housing: 80 percent of mixed-income residents had children, compared with 44 percent of those in traditional public housing.

Madden/Wells Respondents Live in a Diverse Set of Neighborhoods

The Madden/Wells community was located on the near South Side of the city,

close to Lake Michigan on the east and to the sites of the former Robert Taylor and Stateway Gardens Homes on the west. The development sat in the historic Bronzeville neighborhood, which was undergoing rapid gentrification after many years of decline (Popkin et al. 2008). In 2009, eight years after Madden/Wells redevelopment began, the former residents live in a diverse set of neighborhoods, although most still live on the South Side of the city. Some still live in high-poverty, racially isolated neighborhoods, but others live in relatively low-poverty and racially diverse neighborhoods (see table 2).

- Nearly all respondents still live in Chicago (94 percent) and more than half (55 percent) live within three miles of the former Madden/Wells housing development.
- Just over a quarter of the respondents have moved from a neighborhood with a 72 percent poverty rate (the Madden/Wells neighborhood in 2001) to a neighborhood with a poverty rate of 15 percent or less. However, as table 2 shows, a majority of the respondents (54 percent) still live in neighborhoods with poverty rates of 25 percent or higher—though none live in areas with poverty rates that approach that of the original Madden/Wells development.
- Four out of five former Madden/Wells residents still live in predominantly African-American neighborhoods

TABLE 1. Household Characteristics at Baseline (2001) by Housing Assistance (percent)

	Traditional public housing	Mixed-income public housing	Housing Choice Voucher	Unassisted renters	All former Madden/Wells residents
Age of respondent					
18–24	0	10	16	9	12
25–34	11	19	27	38	26
35–44	45	28	29	32	31
45–54	21	28	19	17	21
55–61	0	0	4	0	3
62 or older	23	15	5	5	9
Number of children in household					
No children	56	20	30	30	31
1 to 2 children	13	61	34	27	35
3 or more children	31	19	37	43	34
Children in household under age 6					
Yes	20	45	42	20	37
Length of time in public housing					
10 years or more	95	96	77	77	83
Annual household income					
More than \$10,000	19	14	26	21	22
High school graduate at baseline (2001)					
High school graduate	46	68	55	86	62

Sources: 2001 and 2009 Chicago Panel Study Samples.

Note: Sample size is 136.

(where more than 75 percent of residents are African-American) (figure 3).

- Madden/Wells respondents now live in much lower crime areas than the original development. However, as the map in figure 4 shows, most continue to live in areas with moderate to high crime relative to other Chicago neighborhoods (Popkin and Price 2010).
- Respondents who live in mixed-income developments—primarily Oakwood Shores—still live in neighborhoods that are poor and predominantly African-American. However, they were less likely than the other groups to live in the highest unemployment or highest crime neighborhoods.
- More unassisted than assisted households live in neighborhoods with relatively low poverty (figure 5) and unemployment rates (figure 6). For example, 43 percent of unassisted

households live in neighborhoods with a poverty rate less than 15 percent, compared with 35 percent of traditional public housing residents and 30 percent of voucher holders.

- Traditional public housing residents are the least likely group to live in predominantly African-American neighborhoods and, other than residents in mixed-income developments, the least likely to live in the highest crime neighborhoods. This finding may reflect the fact that many traditional public housing residents live in senior buildings located in lower crime, more racially diverse areas.

Implications

After the follow-up in 2005, we found that very few respondents had moved to new mixed-income housing and two-

TABLE 2. *Neighborhood Characteristics by Housing Assistance (percent)*

	Traditional public housing	Mixed-income public housing	Housing Choice Voucher	Unassisted renters	All former Madden/Wells residents
Neighborhood poverty rate					
< 10%	0	0	7	16	6
10–15%	35	0	22	27	20
15–25%	21	9	19	28	20
> 25%	43	92	51	30	54
Neighborhood unemployment rate					
< 10%	0	4	16	16	12
10–15%	0	0	19	22	14
15–25%	79	84	48	34	56
> 25%	21	12	17	29	19
Percent of persons in neighborhood that are African-American					
< 15%	20	0	5	0	5
15–40%	0	0	6	0	3
40–75%	30	9	9	11	12
> 75%	51	92	81	89	81
Neighborhood violent crime rate (per 1,000 people) in 2008					
< 10 per 1,000	36	4	13	12	13
10 to 20 per 1,000	6	92	15	11	27
> 20 per 1,000	58	4	73	78	60

Sources: 2009 Chicago Panel Study Sample; rates of violent crimes are based on data collected and tabulated by the Metro Chicago Information Center.

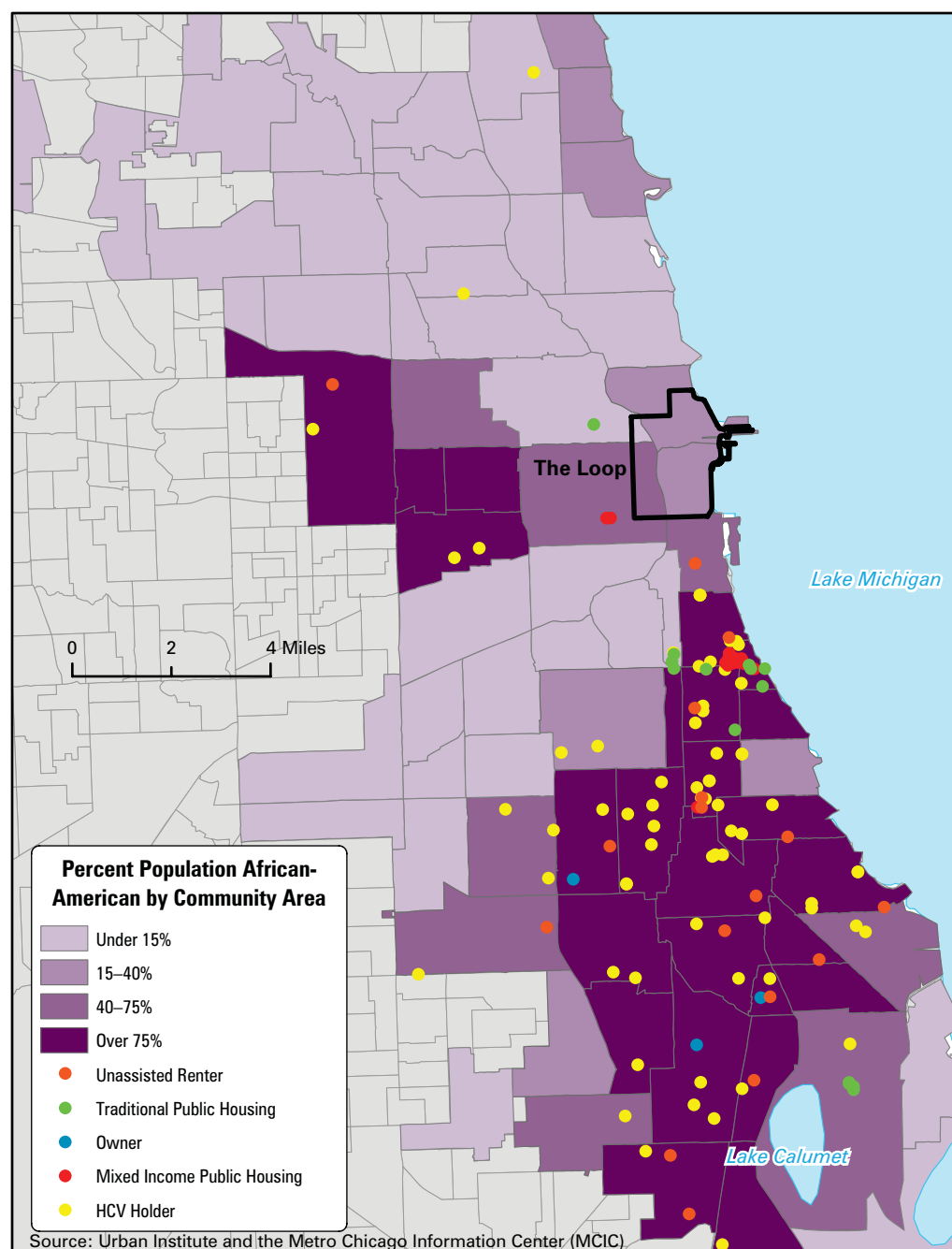
Notes: Sample size is 136. Poverty is defined as households with less than \$15,000 in income.

fifths were still living in buildings on an increasingly crime-ridden site. While those who had relocated with vouchers by 2005 generally lived in better quality housing and safer neighborhoods than Madden/Wells, we questioned whether the remaining residents would end up in traditional public housing developments with little to no improvements in their living conditions. However, by 2009, all of the residents had relocated and nearly one in five former Madden/Wells residents was living in a new mixed-income housing development. Most of the former Madden/Wells residents—regardless of their type of housing assistance—reported that their current housing and neighborhood was better than Madden/Wells. A

substantial minority lived in economically or racially diverse neighborhoods.

- While most respondents now live in better conditions, many respondents had to live in deteriorating conditions at Madden/Wells for too long after the redevelopment began. This finding suggests that staged relocation may not be a viable strategy when conditions—and crime rates—are extreme and that it is safer for residents if the development closes quickly.
- The CHA must recognize that the improved housing and safety conditions, however impressive, are fragile. To sustain these improvements, the CHA must remain vigilant about moni-

FIGURE 3. HOPE VI Relocates and Percent Population African-American, 2009



toring the private companies that now manage its mixed-income and traditional public housing developments.

- Finally, while conditions for voucher holders have improved substantially as a result of relocation, they continue to live in moderately poor, moderately high-crime, racially segregated neigh-

borhoods that offer few real opportunities for themselves and their children. The CHA needs to continue to explore strategies to encourage families to move to low-poverty opportunity areas, and to reduce the barriers that prevent its residents from accessing these communities.

FIGURE 4. HOPE VI Relocates and Violent Crime, 2008

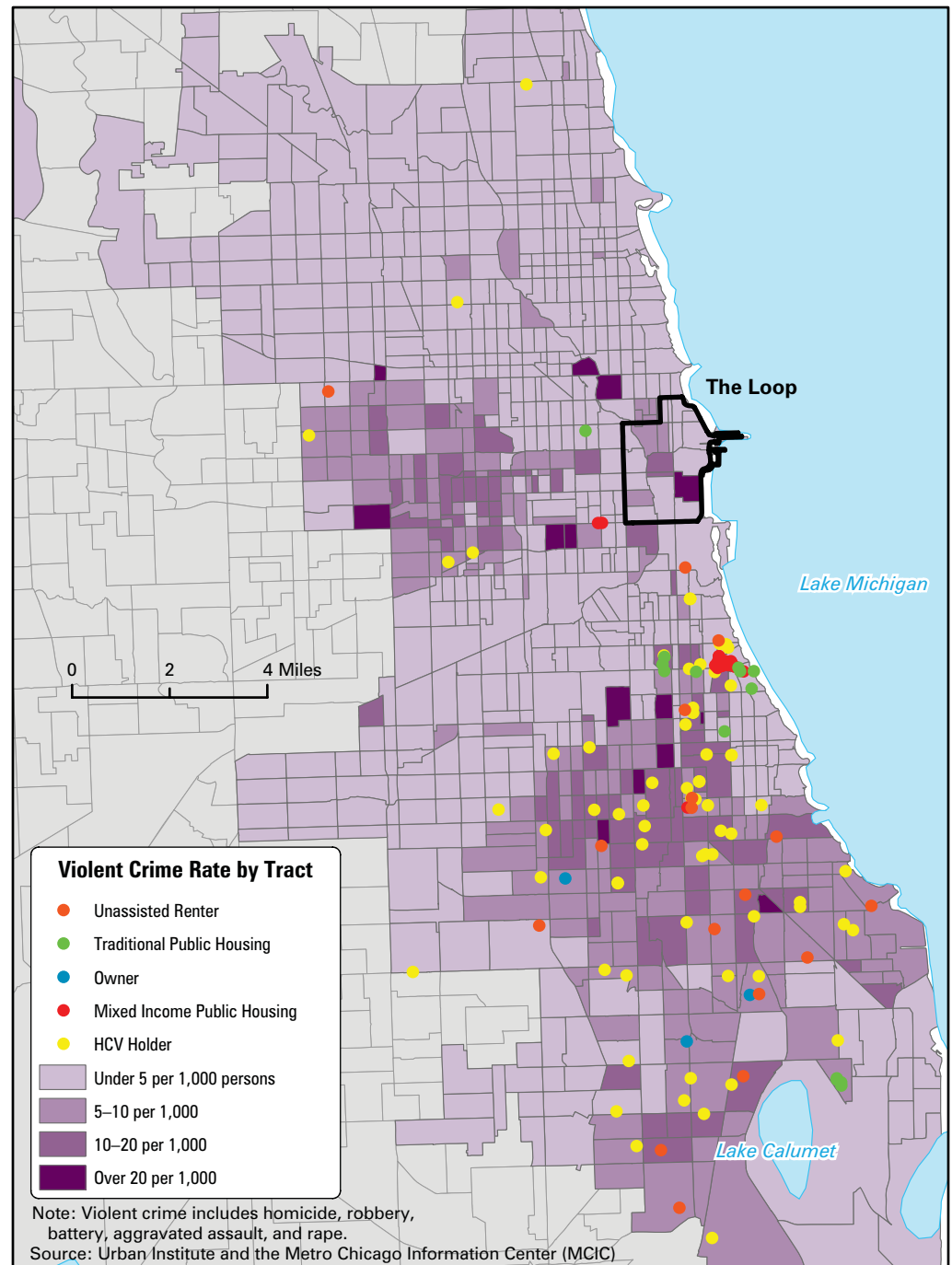


FIGURE 5. HOPE VI Relocates and Poverty, 2009

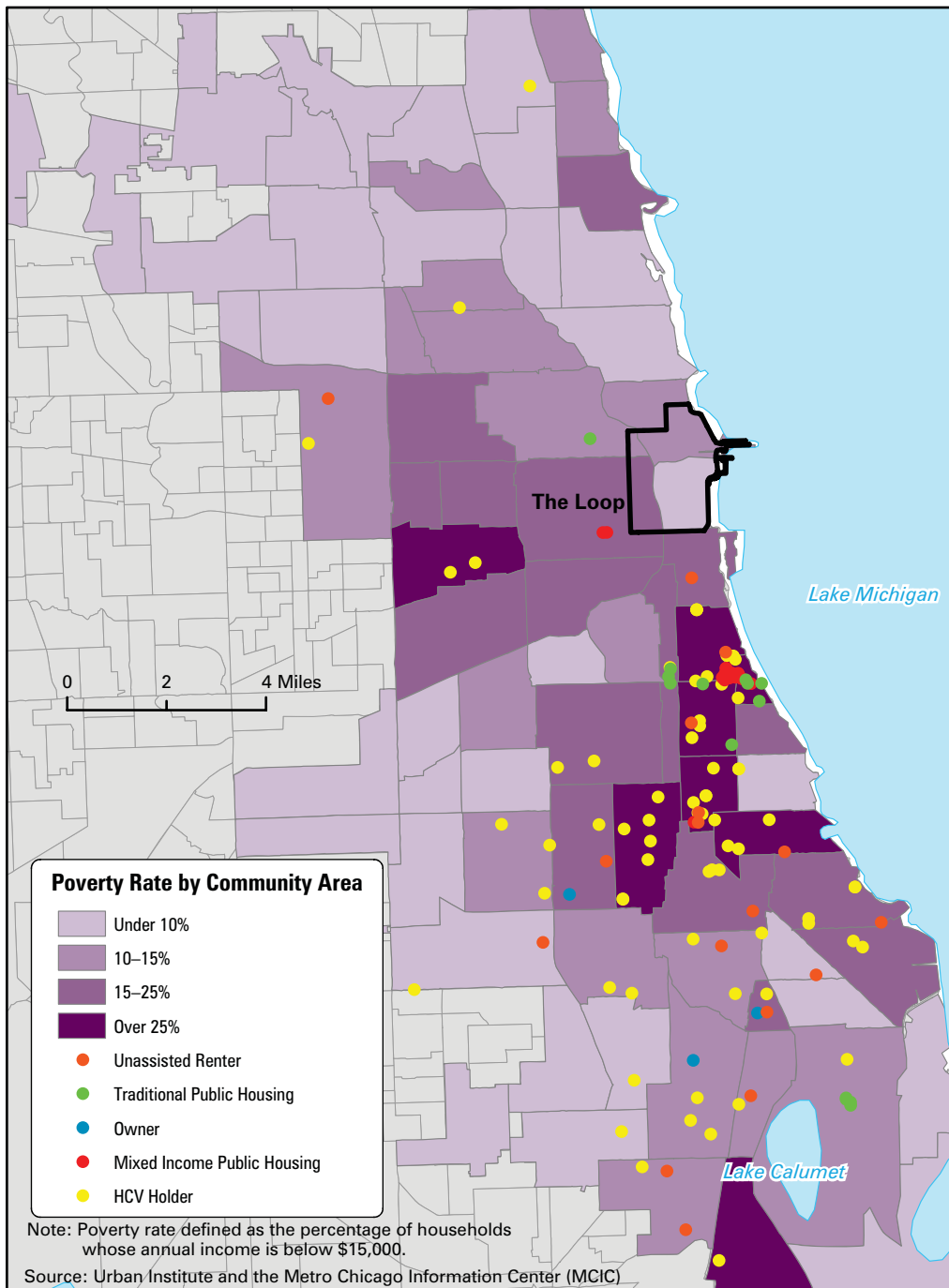
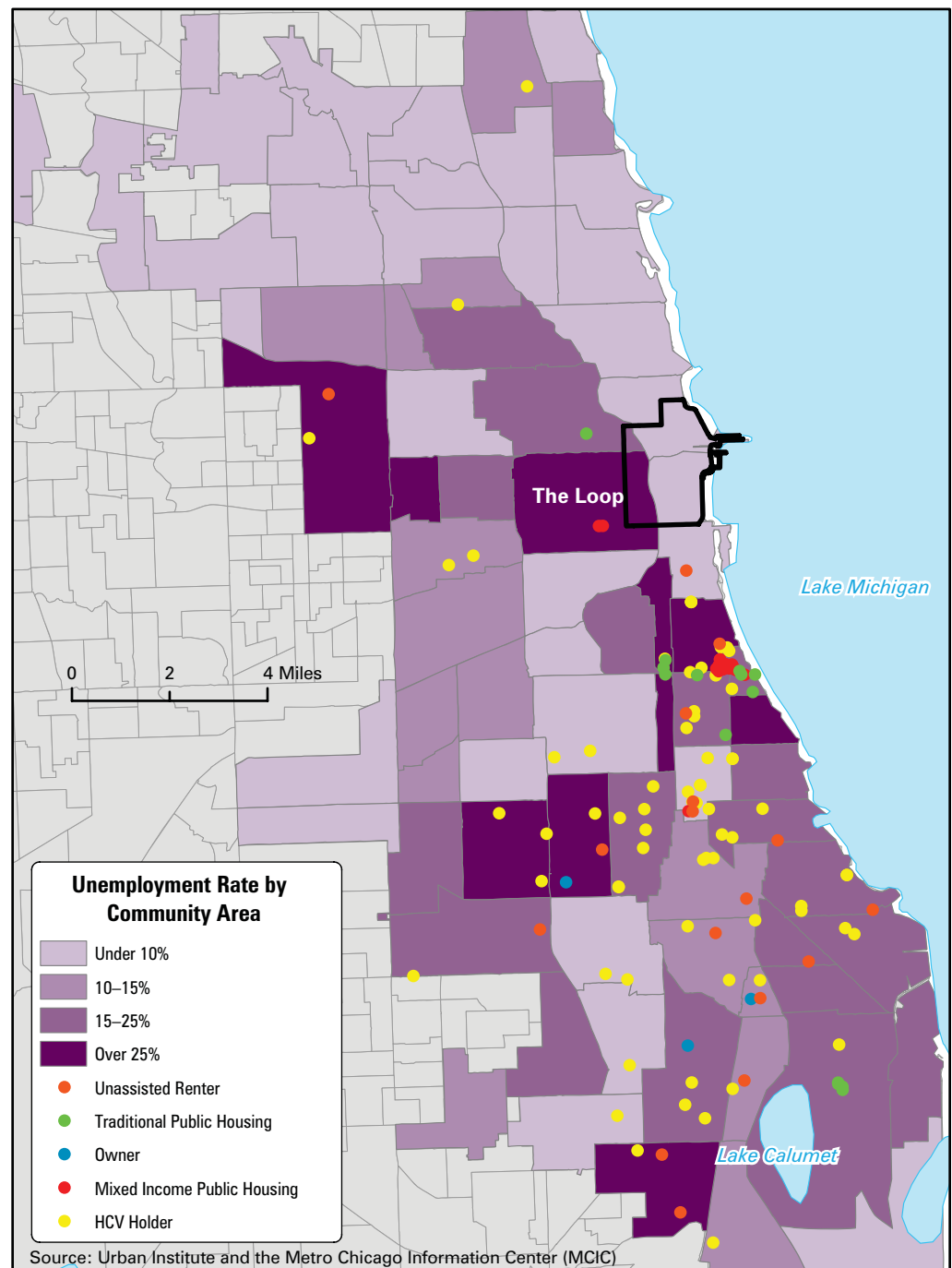


FIGURE 6. HOPE VI Relocates and Unemployment, 2009



Note

1. All reported differences in means and proportions are significant at the $p < .10$ level.

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The Chicago Panel Study

The Chicago Panel Study is a follow-up to the five-site HOPE VI Panel Study, which tracked resident outcomes from 2001 to 2005. The Chicago Panel Study continues to track the residents from the Chicago Housing Authority's Ida B. Wells Homes/Wells Extension and Madden Park Homes who were part of the original HOPE VI Panel sample. In October 2009, the CHA marked the 10th anniversary of the Plan for Transformation; the purpose of the Chicago Panel Study is to track the circumstances of the families in the Chicago HOPE VI Panel Study sample to assess how they are faring as the Plan for Transformation progresses.

Revitalization activities began in Madden/Wells in mid- to late 2001, and the last residents were relocated in August 2008. At the baseline in summer 2001, we surveyed a random sample of 198 heads of household and conducted in-depth, qualitative interviews with seven adults and seven children. We conducted follow-up surveys and interviews for the HOPE VI Panel Study in 2003 (n = 174, response rate 88 percent) and 2005 (n = 165, response rate 83 percent). In 2009, when we attempted to track the original Madden/Wells sample for the Chicago Panel Study, we surveyed 136 heads of household (response rate 69 percent) and conducted in-depth interviews with 9 adults and 9 children. The largest source of attrition between 2001 and 2009 was mortality; we were able to locate, if not survey, nearly all original sample members in the 2009 follow-up.

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